



ST. FRANCISVILLE, LOUISIANA

**COMPONENT UNIT FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 18 2013

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
DECEMBER 31, 2012**

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COMPONENT UNIT FINANCIAL STATEMENTS

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American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

Glenna Fallin, Librarian and
Commissioners of the Board of Control
West Feliciana Parish Library
P O Box 3120
St. Francisville, Louisiana 70775

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the West Feliciana Parish Library, a component unit of the West Feliciana Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the West Feliciana Parish Library's component unit financial statements as listed in the table of contents

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on the component unit financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

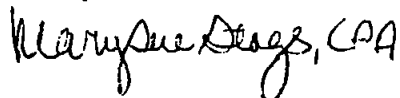
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the West Feliciana Parish Library, a component unit of the West Feliciana Parish Police Jury, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the component unit financial statements. Such information, although not a part of the component unit financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the component unit financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the component unit financial statements and other knowledge we obtained during our audit of the component unit financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013, on our consideration of the West Feliciana Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Feliciana Parish Library's internal control over financial reporting and compliance.



Mary Sue Stages, CPA,
A Professional Accounting Corporation
Baker, LA
June 28, 2013

**REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)**

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012**

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Its purpose is to provide an overview of the financial activities of the Library based on currently known facts, decisions and/or conditions.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplementary information contained in this report provided for additional information.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the Library from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Library's overall financial status. They include a statement of net position and statement of activities.

Statement of Net Position This statement presents information on all of the Library's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or not.

Statement of Activities This statement presents information showing how the Library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Library's financial reliance on general revenues.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library has one category of funds – governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Library's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012**

balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the Library include a general fund that is used to account for all accounts not required to be accounted for separately

The fund financial statements can be found on pages 12-15 of this report

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 17 with the actual notes beginning immediately afterwards

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's budgetary comparisons on page 28. This schedule indicates the Library's compliance with its adopted and final revised budgets

FINANCIAL ANALYSIS OF THE LIBRARY

Net position are an indicator of the Library's financial position from year to year. A summary of net position follows

**SUMMARY OF NET POSITION
Governmental Activities**

	<u>2012</u>	<u>2011</u>
Assets		
Current and other assets	\$ 1,346,147.79	\$ 1,057,791.23
Restricted assets	30,200.00	00
Capital assets, net	<u>78,066.40</u>	<u>60,006.36</u>
Total Assets	1,454,414.19	1,117,797.59
Liabilities		
Current liabilities	4,934.04	6,303.85
Long-term liabilities	<u>7,134.27</u>	<u>5,807.83</u>
Total Liabilities	12,068.31	12,111.68
Net Position		
Net investment in capital assets	78,066.40	60,006.36

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012**

Restricted	30,200 00	00
Unrestricted	1,334,079 48	1,045,679 55
Net Position	<u>1,442,345 88</u>	<u>1,105,685 91</u>

A summary of changes in net position is as follows

**SUMMARY OF CHANGES IN NET POSITION
Governmental Activities**

	<u>2012</u>	<u>2011</u>
Revenues		
Charges for services	\$ 9,895 74	\$ 7,494 05
Operating grants/contributions	21,513 14	6,541.60
Capital grants/contributions	298,760 44	.00
General revenues		
Taxes	390,894.54	260,597.00
Intergovernmental	15,883 20	27,672.10
Interest earned	<u>1,214.25</u>	<u>1,109.42</u>
Total Revenues	738,161.31	303,414.17
Expenses		
General government	<u>401,501 34</u>	<u>349,349 65</u>
Change in net position	336,659.97	(45,935 48)
Net Position, beginning	<u>1,105,685 91</u>	<u>1,151,621 39</u>
Net Position, ending	<u>1,442,345 88</u>	<u>1,105,685 91</u>

Net position increased during the current year by \$336,660 Of this amount, \$250,920 or 75% was a transfer from the West Feliciana Parish Police Jury to reimburse the Library for expenditures made for the construction of a new library

BUDGETARY HIGHLIGHTS

The Library received \$408,864 more in revenues than it anticipated for the year ended December 31, 2012 Expenditures were more than budgeted amounts by \$15,345 or 4% providing for a positive variance in the change in fund balances of \$393,519

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets The Library's investment in capital assets, net of accumulated depreciation and related debt at December 31, 2012 and 2011, was \$78,066 and \$60,006, respectively. The Library clears its titles each year to ensure current resources. Other capital expended was for technological equipment for both staff and patrons.

Capital assets at year-end are summarized as follows:

	CAPITAL ASSETS	
	Net of Accumulated Depreciation	
	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Depreciable Assets		
Equipment and furniture	\$ 28,876 29	\$ 17,638 20
Library collections	<u>49,190 11</u>	<u>42,368 17</u>
Net Depreciable Assets	<u>78,066.40</u>	<u>60,006 36</u>

Long-Term Debt The Library currently has no long-term debt with the exception of annual leave earned but not taken at year-end. These compensated absences totaled \$7,134 at December 31, 2012, an increase of \$1,326 during the year.

FUTURE PLANS

In March of 2012, voters served by the Library approved a bond issuance for the construction of a new library. The bond will be paid back through the collection of an estimated 1.15 millage property tax. The anticipated completion of the building to be situated on 4.6 acres of donated property on Burnett Road is the summer of 2014.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances, comply with finance-related laws and regulations and demonstrate the Library's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the West Feliciana Parish Library, P O Box 3120, St Francisville, Louisiana 70775 or (225) 635-3364.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2012**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$438,232 70
Cash and cash equivalents, held by others	759,655 85
Receivables, net	
Taxes	145,190 24
Revenue sharing	3,044 00
Restricted assets	
Cash and cash equivalents	30,200 00
Security deposits	25 00
Capital assets, net of accumulated depreciation	<u>78,066 40</u>
Total Assets	1,454,414 19
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
	-
<u>LIABILITIES</u>	
Payroll withholdings and related payables	4,934 04
Compensated absences	<u>7,134 27</u>
Total Liabilities	12,068 31
<u>DEFERRED INFLOWS OF RESOURCES</u>	
	<u>-</u>
<u>NET POSITION</u>	
Net investment in capital assets	78,066 40
Restricted	30,200 00
Unrestricted	<u>1,334,079 48</u>
Total Net Position	<u><u>1,442,345 88</u></u>

See Accompanying Notes and Independent Auditors' Report

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

<u>Functional/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
General government	\$ 401,501 34	\$ 9,895 74	\$ 21,513 14	\$ 298,760 44	\$ (71,332 02)
Total Governmental Activities	<u>401,501 34</u>	<u>9,895 74</u>	<u>21,513 14</u>	<u>298,760 44</u>	<u>(71,332 02)</u>
General Revenues					
					390,894 54
					15,883 20
					<u>1,214 25</u>
					<u>407,991 99</u>
					336,659 97
					<u>1,105,685 91</u>
					<u>1,442,345 88</u>

See Accompanying Notes and Independent Auditors' Report

FUND FINANCIAL STATEMENTS

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

ASSETS

Cash and cash equivalents	\$ 438,232 70
Cash and cash equivalents, held by others	759,655 85
Receivables, net	
Taxes	145 190 24
Revenue sharing	3,044 00
Restricted assets	
Cash and cash equivalents	30,200 00
Security deposits	<u>25 00</u>
 Total Assets	 <u><u>1,376,347 79</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	
Payroll withholdings and related payables	4,934 04
Fund Balances	
Committed for expansion	1,794 34
Restricted for children's supplies/meeting room	30,200 00
Unassigned	<u>1,339,419 41</u>
 Total Fund Balances	 <u><u>1,371,413 75</u></u>
 Total Liabilities and Fund Balances	 <u><u>1,376,347 79</u></u>

See Accompanying Notes and Independent Auditors' Report

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2012**

Total Fund Balances - Total Governmental Funds \$ 1,371,413 75

Amounts reported for governmental activities in the
Statement of Net Position are different because

Capital assets used in governmental activities are not current
financial resources and, therefore, are not reported in the
Governmental Funds Balance Sheet This is the capital
assets, net of accumulated depreciation, reported on the
Statement of Net Position

78,066 40

Long-term liabilities in governmental activities aren't
anticipated to utilize current year resources and, therefore
are not reported in the Governmental Funds Balance Sheet
The following are long-term obligations of the Library

Compensated absences

(7,134 27)

Total Net Position - Governmental Activities

1,442,345 88

See Accompanying Notes and Independent Auditors' Report

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012**

REVENUES

Taxes - ad valorem	\$ 390,894 54
Intergovernmental revenues	
Revenue sharing	9,132 00
E-rate fees	6,751 20
Transfers from other government agencies	250,920 44
Charges for services	
Fines and other fees	9,895 74
Grants and other contributions	69,353 14
Interest earned	<u>1,214 25</u>
 Total Revenues	 738,161 31

EXPENDITURES

General government	
Salaries and related benefits	237,873 43
Facility	26,536 33
Contracted services	41,936 27
Office/administrative	19,735 65
Programs/outreach	49,827 40
Capital outlay	<u>42,325 87</u>
 Total Expenditures	 <u>418,234 95</u>
 Net Change in Fund Balances	 319,926 36
 Fund Balances, beginning	 <u>1,051,487 39</u>
 Fund Balances, ending	 <u><u>1,371,413 75</u></u>

See Accompanying Notes and Independent Auditors' Report

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012**

Net Change in Fund Balances - Total Governmental Funds \$ 319,926 36

Amounts reported for governmental activities in the
Statement of Activities are different because

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which
depreciation charged differed from capital outlay in the
current period 18,060 05

Governmental funds do not report the increase or decrease
in compensated absences as these are considered long-term
obligations. The increase in this liability during the current
year is reported on the Statement of Activities (1 326 44)

Change in Net Position - Governmental Activities 336,659 97

See Accompanying Notes and Independent Auditors' Report

NOTES TO FINANCIAL STATEMENTS

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

INTRODUCTION

The West Feliciana Parish Library (hereinafter referred to as the Library), located in St. Francisville, Louisiana, was created by the West Feliciana Parish Police Jury as allowed under Louisiana Revised Statute 25:211. Eight commissioners who make up the Board of Control govern it. The West Feliciana Parish Police Jury appoints seven of the commissioners while the eighth member is the Police Jury President. He serves as an ex-officio member or may designate another juror in his stead. They are not paid for their services.

The Library was created to provide the citizens of West Feliciana Parish access to Library materials, books, magazines, computers, videos and audio media.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accounting and reporting practice of the Library conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the West Feliciana Parish Police Jury is the financial reporting entity for West Feliciana Parish. The Library is considered a component unit of the West Feliciana Parish Police Jury because it appoints a voting majority of the Library's governing body. The accompanying financial statements present information only on the funds maintained by the Library and do not present information on the Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

Government-wide Accounting: In accordance with Governmental Accounting Standards Board's Statement No. 63, the Library has presented a statement of net position and statement of activities for the Library as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

Policies specific to the government-wide statements are as follows.

Eliminating Internal Activity

Inter-fund receivables and payable are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position.

Using the requirements of GASB Statement No. 34, the Library is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively. The Library does not have any infrastructure assets and opted not to retroactively report these types of capital assets.

Program Revenues

The statement of activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions, and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Library. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Library has chosen not to do so.

Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Restricted Net Position

Restricted net position are those for which a constraint has been imposed either externally or by law. The Library recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net position are used.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

Fund Accounting: The Library uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the Library are classified under one category: governmental. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow.

Governmental Funds Governmental funds account for all or most of the Library's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Library include:

1. General Fund – the primary operating fund that accounts for all activities not required to be reported in another fund.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. These financial statements have been prepared in accordance with such principles.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

Budgets: The Library adopts an annual budget for its general fund, prepared in accordance with the basis of accounting utilized by that fund. It is published and made available for public inspection prior to the start of the fiscal year. Appropriations lapse at year-end. There were amendments made to the budget during the fiscal year ended December 31, 2012.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

Cash and Cash Equivalents: Cash includes amounts in demand and interest bearing demand deposits and money market savings. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the Library may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments: Investments are limited by Louisiana Revised Statute 33.2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Library includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Receivables: Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. There is no allowance recorded in the accompanying financial statements as management expects 100% of its outstanding receivables to be collected. Revenues become susceptible to accrual when they become both measurable and available.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The Library's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing assets. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: equipment and furniture – 5-7 years, Library collection – 3-5 years.

Compensated Absences: Full-time employees earn vacation and sick leave at various rates (5 to 20 days) depending upon the length of their employment with the Library. Unused leave may be carried over to the subsequent year but only unused vacation leave will be paid at the date of separation. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current-year expenditure in the General Fund when leave is actually earned.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

Net Position/Fund Balances: In the statements of net position, the difference between a government's assets, deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that is available for any purpose.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39.1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits are considered exposed to custodial credit risk are required to be disclosed. The Library has no deposits exposed to custodial credit risk.

The cash and cash equivalents on hand (book balances) of governmental activities are as follows:

Demand deposits	\$ 29,440.52
LAMP, Inc	438,992.18
LAMP, Inc., held by others	<u>759,655.85</u>
Total	<u>1,228,088.55</u>

The Library has investments in a local government investment pool that is administered by a non-profit corporation, LAMP, Inc. This corporation was organized under the laws of the State of Louisiana, and its purpose is to provide a safe environment for the placement of public funds in short-term, high-quality investments. Investments included in its portfolio, that is restricted to those issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its assigns, include only those with maturities of ninety days or less. This design allows participants immediate access to their funds. For this reason, the account balances at year-end are recorded in the accompanying financial statements as cash and cash equivalents.

Of the cash balances included above, \$759,655.85 is held by the West Feliciana Parish Police Jury on behalf of the Library. Another \$30,200 is restricted for supplies in the children's area of the library and meeting rooms to be established in the new library.

NOTE 3 – RECEIVABLES

The net receivables at December 31, 2012, are as follows.

Taxes	\$ 145,190.24
Revenue sharing	<u>3,044.00</u>
Total	<u>148,234.24</u>

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Equipment and furniture	96,257.88	14,474.96	.00	110,732.84
Less: accumulated depreciation	<u>78,619.68</u>	<u>3,236.87</u>	<u>.00</u>	<u>81,856.55</u>
Net Equipment and Furniture	17,638.20	11,238.09	.00	28,876.29
 Library collections	265,064.45	27,850.91	42,906.00	250,009.36
Less: accumulated depreciation	<u>222,696.29</u>	<u>21,028.95</u>	<u>42,906.00</u>	<u>200,819.25</u>
Net Library Collections	<u>42,368.16</u>	<u>6,821.96</u>	<u>.00</u>	<u>49,190.11</u>
 Capital Assets, being depreciated, net	<u>60,006.36</u>	<u>18,060.05</u>	<u>.00</u>	<u>78,066.40</u>

All depreciation expense was charged to governmental activities

In November of 2007, a parcel of land was donated to the West Feliciana Parish Police Jury to be used exclusively for the construction of a new Library. The appraised value of the land is estimated at \$490,000. Plans were designed and construction has begun on this site estimated to be completed by the Summer of 2014.

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The payables, with the exception of intergovernmental transactions, are as follows at December 31, 2012

Payroll withholdings and related	<u>\$ 4,934.04</u>
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NOTE 6 – INTERGOVERNMENTAL TRANSACTIONS

Intergovernmental revenues for the year ended December 31, 2012, were as follows

Revenue sharing	\$ 9,132.00
E-rate fees	<u>6,751.20</u>
 Total	<u>15,883.20</u>

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 7 – LONG-TERM LIABILITIES

The Library does not currently have any long-term debt with the exception of annual leave earned but not used at year-end. Based on the current hourly rate for employees with leave available, this amounted to \$7,134.27 at December 31, 2012.

NOTE 8 – LEASES

Operating Leases. The Library leases a building from the West Feliciana Historical Society on a month-to-month basis at a rate of \$1,200 per month. Total rent paid during the year was \$14,400.

Capital Leases. The Library has no capital leases.

NOTE 9 – RETIREMENT PLAN

Substantially all employees of the West Feliciana Parish Library are members of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement plan controlled and administered by a separate board of trustees. All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate. Contributions of participating agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

The System is composed of two distinct plans – Plan A and Plan B – with separate assets and benefit provisions. All participants of the Library are members of Plan B. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to retirement benefits, payable monthly for life, equal to 2% of their final average salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service but less than 30 years may take early retirement benefits commencing at or after age 60, with the benefit reduced 3% for each year retirement precedes age 62.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898.

Funding Policy. Plan members are required to contribute 3% of their annual covered salary and the Library is required to contribute 9.30% of annual covered payroll. The Library's contributions to the System for the years ending December 31, 2012, 2011 and 2010, were \$15,133, \$16,045 and \$8,460.44, respectively, equal to the required contributions for each year.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

The Library does not provide post-employment benefits.

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 11 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the accompanying basic financial statements

NOTE 12 – LITIGATION AND CLAIMS

There is no litigation that would require disclosure in the accompanying basic financial statements

NOTE 13 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these basic financial statements

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes - ad valorem	\$ 265,960 00	\$ 265,960 00	\$ 390,894 54	\$ 124,934 54
Intergovernmental revenues				
Revenue sharing	9,172 00	9,172 00	9,132 00	(40 00)
E-rate fees	6,865 00	6,865 00	6,751 20	(113 80)
Transfers from other govt agencies	-	-	250,920 44	250,920 44
Charges for services				
Fines and other fees	6,500 00	6,500 00	9,895 74	3,395 74
Grants and other contributions	40,500 00	40,500 00	69,353 14	28,853 14
Interest earned	300 00	300 00	1,214 25	914 25
Total Revenues	329,297 00	329,297 00	738,161 31	408,864 31
<u>EXPENDITURES</u>				
General government				
Salaries and related benefits	236,870 00	236,870 00	237,873 43	(1,003 43)
Facility	30,900 00	30,900 00	26,536 33	4,363 67
Contracted services	35,020 00	36,020 00	41,936 27	(5,916 27)
Office/administrative	10,194 00	20,000 00	19,735 65	264 35
Programs/outreach	10,850 00	36,475 00	49,827 40	(13,352 40)
Capital outlay	25,625 00	42,625 00	42,325 87	299 13
Total Expenditures	349,459 00	402,890 00	418,234 95	(15,344 95)
Net Change in Fund Balances	(20,162 00)	(73,593 00)	319,926 36	393,519 36
Fund Balances, beginning	1,051,487 39	1,051,487 39	1,051,487 39	-
Fund Balances, ending	1,031,325 39	977,894 39	1,371,413 75	393,519 36

See Independent Auditors' Report

SUPPLEMENTARY INFORMATION

**MARY SUE STAGES, CPA
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*Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER MATTERS
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Glenna Fallin, Librarian and
Commissioners of the Board of Control
West Feliciana Parish Library
P. O. Box 3120
St Francisville, Louisiana 70775

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and remaining fund information of the West Feliciana Parish Library as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the West Feliciana Parish Library's component unit financial statements, and have issued our report thereon dated June 28, 2013

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Feliciana Parish Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described as 2012 01 in the accompanying schedule of findings and responses

Internal Control over Financial Reporting

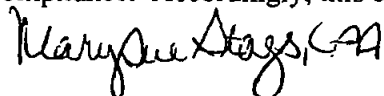
In planning and performing our audit, we considered the West Feliciana Parish Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Feliciana Parish Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the West Feliciana Parish Library's internal control over financial reporting

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Mary Sue Stages, CPA,
A Professional Accounting Corporation
Baker, LA
June 28, 2013

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2012**

We have audited the component unit financial statements of the West Feliciana Parish Library as of and for the year ended December 31, 2012, and have issued our report thereon dated June 28, 2013. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2012, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Compliance Material to Financial Statements	■ No
Internal Control	Material Weakness ■ No
	Significant Deficiencies ■ No

B Federal Awards

N/A

Section II Financial Statement Findings

2012.01 Compliance with Audit Law

Criteria Louisiana Revised Statute 24:513 requires that an audited financial statement be submitted to the Legislative Auditor within six months of the close of an entity's fiscal year. This equates to June 30th for the Library.

Condition. This deadline was not met for the year ended December 31, 2012.

Impact The Library is not in compliance with applicable laws.

Management's Response The information was provided timely, and we were available to the auditor. However, the auditor required additional time to complete the procedures necessary for submission to the Legislative Auditor. We have discussed this with her and do not anticipate this to be an issue in the future.

Section III Federal Award Findings and Questioned Costs

N/A

**WEST FELICIANA PARISH LIBRARY
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2012**

Section I Compliance and Internal Control Material to the Financial Statements

N/A

Section II Compliance and Internal Control Material to Federal Awards

N/A

Section III Financial Statement Findings

2012 01 Compliance with Audit Law

Please refer to management's response in the schedule of findings and responses